

Message Text

CONFIDENTIAL

PAGE 01 DAMASC 05234 311524Z

45

ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 IGA-02 /072 W
----- 074637

P 311430Z DEC 75

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC PRIORITY 5712

C O N F I D E N T I A L DAMASCUS 5234

FOR NOOTER, AA/NE, AND DAY, NEA FROM AMBASSADOR AND RAMSEY

E.O. 11652: GDS

TAGS: EAID, SY

SUBJECT: FY 76/77 PROGRAM COMPOSITION AND ITS RELATION TO
TO CONGRESSIONAL APPROPRIATIONS

REF: A. DAMASCUS 5163 B. DAMASCUS 5165 C. DAMASCUS 5158

1. IN REFS A AND B WE HAVE PROVIDED BOTH A PROJECTED OBLIGATION SCHEDULE FOR THE FY 76 PROGRAM AT THE CONGRESSIONAL PRESENTATION LEVEL AND A PROPOSED PROGRAM/PROJECT MIX FOR FY 76, THE IQ AND FY 77 ON PROGRAM LEVEL GUIDANCE FROM AID/WASHINGTON. WE ARE CONCERNED, HOWEVER, ABOUT THE RAMIFICATIONS HERE OF POSSIBLE DEEP CUTS IN FINAL APPROPRIATION LEVELS FOR FY 76, GIVEN RECENT SENATE CUTS IN THE AUTHORIZATION LEVEL DURING MARK-UP PROCESS.

2. IF THE RESULTS OF FY 76 CONGRESSIONAL ACTIONS WERE TO RESULT IN A FINAL APPROPRIATION LEVEL FOR SYRIA CONSIDERABLY BELOW THE SENATE \$45 MILLION FIGURE, FURTHER COMPLICATED BY THE CONGRESSIONAL EARMARKING PROCESS FOR ISRAEL AND EGYPT, OUR PROGRAM STRATEGY OF DEVELOPING AND OBLIGATION ONE LARGE CAPITAL PROJECT LOAN IN EACH FISCAL YEAR (FY 76 - EUPHRATES IRRIGATION AND FY 77 - RURAL ELECTRIFICATION) COULD NOT BE FOLLOWED. SINCE CONGRESS WILL BE ACTING ON BOTH FY 76 AND FY 77 SUPPORTING ASSISTANCE LEGISLATION AT APPROXIMATELY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 DAMASC 05234 311524Z

THE SAME TIME, A DRASTIC CUT IN FY 76 WE

ASSUME COULD SET THE TREND FOR FY 77.

3. SEVERAL PROGRAMMING POSSIBILITIES PRESENT THEMSELVES DEPENDING ON DIFFERENT APPROPRIATION LEVEL ASSUMPTIONS.

A. IF THE FY 76 APPROPRIATION LEVEL WERE A COMPROMISE BETWEEN THE CURRENT HOUSE AND SENATE AUTHORIZATION LEVELS, I.E. \$60 - 70 MILLION, OUR ONE LARGE LOAN PROJECT STRATEGY COULD STILL BE IMPLEMENTED. WE WOULD PROPOSE TO USE THE BULK OF FY 76 APPROPRIATIONS FOR A EUPHRATES IRRIGATION CAPITAL PROJECT WITH LITTLE OR NO ALLOCATION FOR A SECOND AGRICULTURE INPUTS LOAN. WE WOULD PROPOSE TO USE THE IQ APPROPRIATION SOLELY FOR AG INPUTS LOAN II. WITH THIS FY 76 LEVEL, WE COULD POSSIBLY EXPECT A SIMILAR LEVEL FOR FY 77 AND PROCEED TO DEVELOP THE LARGE RURAL ELECTRIFICATION CAPITAL LOAN PROJECT.

B. IF, HOWEVER, FINAL FY 76 APPROPRIATIONS RESULTED IN A SYRIAN PROGRAM LEVEL OF SAY \$20 MILLION OR BELOW, OUR PROGRAM MIX STRATEGY WOULD HAVE TO EXCLUDE THE LARGE EUPHRATES IRRIGATION PROJECT AND INCLUDE A FEW GRANT ACTIVITIES AT THE \$2 - 3 MILLION LEVEL WITH THE BALANCE ALLOCATED FOR AG INPUTS LOAN II. WITH THIS LEVEL IN FY 76, THE IQ AND FY 77 WOULD MOST PROBABLY FOLLOW SUIT AND WE WOULD NOT RECOMMEND RISK OF TRYING TO FUND A EUPHRATES PROJECT IN TWO INCREMENTS IN TWO FISCAL YEARS WHEN THE TOTAL FUNDING MIGHT FALL WELL SHORT OF BEING ADEQUATE.

C. A THIRD POSSIBILITY OF NO APPROPRIATIONS FOR SYRIA WOULD REQUIRE A COMPLETE REVERSAL OF OUR AID POSTURE AND RELATIONSHIP HERE. WE SINCERELY HOPE THIS WOULD BE A MOST REMOTE POSSIBILITY AND WILL NO BE THE RESULT OF CONGRESSIONAL ACTION IN ITS NEXT SESSION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 DAMASC 05234 311524Z

4. UNLESS A SECTION OF THE BALIKH PROJECT IN THE EUPHRATES BASIN CAN BE DIVIDED INTO SMALL INCREMENTS THAT IN THEMSELVES CAN BE SELF-CONTAINED AND PRODUCTIVE AND NOT DEPENDENT UPON COMPLETION OF THE TOTAL PROJECT, WE FEEL THAT INCREMENTAL FINANCING OF TWO OR MORE FISCAL YEARS WOULD BE TOO CHANCY AN UNDERTAKING AT THIS TIME GIVEN THE POLITICAL CLIMATE IN THE MIDDLE

EAST AND CONGRESS' REACTION THERETO.

5. WHAT WE WISH AVOID IS CREATING PROBLEM IN OUR
RELATION WITH THE SARG IF, FOR EXAMPLE,
AFTER HAVING GONE A LONG WAY DOWN THE ROAD TO
DEVELOP WITH THE SARG A LARGE IRRIGATION LOAN
PROJECT, WE FIND OURSELVES LATE IN THIS FISCAL YEAR

WITHOUT FUNDS TO FINANCE THE PROJECT IN
EITHER THIS OR THE NEXT FY. REF C REPORTED THAT
THE SARG HAS EXPRESSED ITS DESIRE THAT WE DEVELOP
SUCH A PROJECT AND WE EXPECT TO BEGIN WORKING
WITH THE EUPHRATES DAM MINISTRY TO GATHER DATA
FOR A PROJECT PAPER THE WEEK BEGINNING 5 JANUARY.
AT THAT POINT WE WILL BE
INITIATING A PROCESS THAT WILL RAISE THE EXPECTATIONS
OF THE SARG THAT US FINANCING WILL BE FORTHCOMING,
IN SPITE OF THE FACT WE HAVE NEVER PREJUDGED
CONGRESSIONAL ACTION OR TOLD THE SARG IT COULD
ANTICIPATE A SPECIFIC LEVEL FOR FY 76.

6. CANNOT PREDICT THE RESULTS IN TERMS OF AID-SARG RELATIONS
OF A DRASTIC CUT IN FY 76 AND FY 78 PROGRAM LEVELS WITH
PRECISION. IT WOULD CERTAINLY RESULT IN LESS ENTHUSIASM FOR
JOINT DEVELOPMENT OF PROGRAMS UNTIL APPROPRIATION

LEVELS ARE KNOWN. WE BELIEVE A DRASTIC CUT IN
AID LEVELS WOULD ALSO NEGATIVELY INFLUENCE THE
ATTITUDE OF THE SARG TOWARD US COMMERCIAL
VENTURES AND INVESTMENT IN SYRIA.

7. IT IS URGENT, THEREFORE, THAT WE BE INFORMED AT
THE EARLIEST POSSIBLE MOMENT OF THE MOST LIKELY
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 DAMASC 05234 311524Z

APPROPRIATION LEVEL WE CAN EXPECT FOR THE SYRIAN
PROGRAM FOR FY 76 AND AS GOOD A GUESS AS POSSIBLE FOR
THE IQ AND FY 77 AS WELL.
MURPHY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: US CONGRESSIONAL PRESENTATIONS, FOREIGN ASSISTANCE APPROPRIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975DAMASC05234
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750451-0527
From: DAMASCUS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975122/aaaaabdn.tel
Line Count: 158
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 DAMASCUS 5163, 76 DAMASCUS 5165, 76 DAMASCUS 5158
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2003 by ElyME>; APPROVED <05 DEC 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FY 76/77 PROGRAM COMPOSITION AND ITS RELATION TO TO CONGRESSIONAL APPROPRIATIONS
TAGS: EAID, SY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006